

What Happens in *The Dark Knight*

Spoilers, obviously.

As we've discussed, in [Batman Begins](#) 1960s-style full employment and antipoverty programs lead to skyrocketing crime while in [The Dark Knight Rises](#) 1980s-style tough-on-crime policies and neoliberal economics lead to a revolt of the economic underclass. The films are mirror images, one about the failure of liberal policies; the other about the failure of conservative policies. In this sense, *The Dark Knight* is truly the final film in this nihilistic trilogy, documenting the hopelessness of anything outside that usual left-right struggle.

From the start, the city is torn about how to handle the Batman, who has inspired a wave of second-rate imitators. Some believe it's wrong to be idolizing a masked vigilante, but most (including the new DA, Harvey Dent) approve of his results.

Dent is doing his own part to lock up the criminals, working inside the system. He's arrested all the mob bankers (except Lau) and is now going after the gangsters themselves, starting with mob boss Maroni (who took over for mob boss Falcone). But while the prosecutions bring him a great deal of political attention, they don't seem to achieve much in the way of concrete results — new gangsters spring up to take the place of whoever Dent arrests.

Dent decides the only way to win is to go big — really big. He arrests everyone at once, on charges that are unlikely to stick. Dent doesn't care that he's breaking the rules, as long as it solves the problem. He cites the Romans who suspended democracy to protect their city. (Although, as Rachel points out, they ended up losing democracy.) "You either die a hero or you live long enough to see yourself become the villain," Dent explains. He hopes to take up Batman's mantle, but do it from inside the system.

But, as the mayor explains, Dent isn't just taking on his own sense of ethics, he's taking on the entire system: "the mob, politicians, journalists, cops — anyone whose wallet's about to get lighter". If he fails, both of their careers are over.

Just as Dent is frustrated with the justice system, the Joker is frustrated with the criminals. He tells them they need to go big: they need to kill the Batman. He offers to do it for a sizable sum of money, which the gangsters eventually agree to. The Joker is obsessed with the *homo economicus* of game theory (from whence his name?): when the gangsters ask why he needs the money to kill the Batman, he explains "Like my mother used to tell me: if you're good at something, never do it for free."

The film opens with the Joker hiring five men to rob a mob bank: Dopey silences the alarm, Happy shoots him and drills through the vault, Grumpy shoots him and empties the cash into duffel bags, a bus runs him over, Bozo shoots the bus driver. Finally, Bozo pulls off his mask to reveal he's the Joker. This is a classic [pirate game](#) and, just as in the theory, the Joker gets to keep almost all the cash.

Batman eventually tries to track down the Joker by threatening the gangster Maroni. But it's no use, as Maroni explains: "No one's gonna tell you anything—they're wise to your act—you got rules. The Joker, he's got no rules. No one's gonna cross him for you." This is a straightforward application of game theory's [Davies-Folk theorem](#): the rational thing is to seem irrational so your opponents can't count on you doing the rational thing.

Alfred sees this quickly, because it reminds him of a story from his own past:

I was in Burma. A long time ago. My friends and I were working for the local government. They were trying to buy the loyalty of tribal leaders, bribing them with precious stones. But their caravans were being raided in a forest north of Rangoon by a bandit. We were asked to take care of the problem, so we started looking for the stones. But after six months, we couldn't find *anyone* who had traded with him. ... One day I found a child playing with a ruby as big as a tangerine. ... The bandit had been throwing the stones away. ... Some men just want to watch the world burn.

Note the parallels. In Alfred's story the entire status quo (including the local government and tribal leaders) is totally corrupt: *the official plan* is to bribe people. But the plan is defeated by someone even crazier, someone willing to steal the money but not interested in keeping it for himself.

Sure enough, when the Joker finally does get his hands on the money, he merely lights it on fire.

Meanwhile, Dent's ethical compromises begin to grow and grow. When he kidnaps one of the Joker's thugs, he tries to threaten information out of him. This is something Batman does routinely, but Batman reminds Dent that Dent can't get away with that sort of thing — it'd destroy his credibility as an insider.

In a climactic scene, the Batman finally confronts the Joker in the middle of the street. The Joker knows Batman lives by just one rule ("I will not be an executioner") and encourages him to break it and kill him. But Batman can't bring himself to do it, he swerves at a key moment and ends up smashed while the Joker survives. (Yep: the Joker has just won the game of [chicken](#).)

When he comes to, the Joker tells Batman that despite nominally working outside the system, he's actually just the system's pawn:

To them you're a freak like me. They just need you right now. ... But as soon as they don't, they'll cast you out like a leper. ... Their morals, their code... it's a bad joke. Dropped at the first sign of trouble. They're only as good as the world *allows* them to be. You'll see—I'll show you...

You have these rules. And you think they'll save you. ... [But t]he only sensible way to live in this world is *without* rules.

Gordon arrests the Joker and takes him to the major crimes unit, only to find the Joker claiming Gordon does not actually control the unit — his people actually working for mob boss Maroni. "Does it depress you, Lieutenant, to know how alone you are?" he asks (a classic [principal-agent problem](#)).

The Joker has kidnapped both Dent and Rachel and set them both to blow so that Batman can only rescue one ([opportunity cost](#)). Batman goes to rescue Rachel but the Joker has switched their addresses and he actually ends up rescuing Dent¹. Rachel dies and Dent loses half his face, becoming Two-Face.

Reese, one of Bruce Wayne's employees goes on TV and threatens to reveal the identity of the Batman, but the Joker calls in and asks him to stop. "I had a vision," he says. "Of a world without Batman. The mob ground out a little profit and the police tried to shut them down, one block at a time... and it was so... boring. I've had a change of heart." He threatens to blow up a hospital unless someone kills Reese. (He has thus constructed a [trolley problem](#): people must

decide whether it's better to let the 100 die or kill the 1.)

At the hospital, the Joker explains things to Dent:

Do I really look like a guy with a plan, Harvey? I don't have a plan... The mob has plans, the cops have plans. ... Maroni has plans. Gordon has plans. Schemers trying to control their worlds. I'm not a schemer, I show the schemers how pathetic their attempts to control things really are.

It's the schemers who put you where you are. You were a schemer. You had plans. Look where it got you. ... Nobody panics when the *expected* people get killed. Nobody panics when things go according to plan, even if the plan is horrifying. If I tell the press that tomorrow a gangbanger will get shot, or a truckload of soldiers will be blown up, nobody panics. Because it's all part of the plan. But when I say that one little old mayor will die, everybody loses their minds! Introduce a little anarchy, you upset the established order and everything becomes chaos. I'm an agent of chaos. And you know the thing about chaos, Harvey? ... It's *fair*.

This pushes Dent over the edge. He starts going after everyone responsible for killing Rachel: He starts with Weurtz, who kidnapped him. Weurtz gives up Maroni, who points to Ramirez, who helps him get Gordon's family, who naturally gets Gordon.

Batman, meanwhile, is also crossing lines. In his attempt to find the Joker, he has turned every cell phone into a spy device. Even he admits this might be too much power for one man to have.

The Joker scares the city onto its two ferries. Once the ferries are in the middle of the water, he cuts their power and gives them both a button to blow up the other ferry, thereby constructing a [prisoner's dilemma](#) (one boat is filled with real prisoners). The passengers discuss and vote. One of the prisoners makes a [Ulysses pact](#) and [credibly commits](#) by tossing the detonator overboard.

The Joker also took a busload of people from the hospital to the Prewitt Building where, through the window, you can see Joker's thugs with guns holding hospital people hostage. Gordon rushes in to get the thugs, but Batman discovers the thugs are hostages and the hostages are the thugs. (The Joker is illustrating "[The Market for Lemons](#)": if the Joker is making it easy for you to kill his henchmen, why should you believe they're actually his henchmen?)

(Batman saves the hostages (dressed as thugs) and stops the SWAT team and takes out the thugs (dressed as hostages). Neither of the boats decides to blow up the other and Batman prevents the Joker from triggering the failsafe.)

He then goes to rescue Gordon, who is trying to stop Dent from killing his family. Dent explains his new philosophy:

You thought we could be decent men in an indecent time. You thought we could lead by example. You thought the rules could be bent but not break...² you were wrong. The world is cruel. And the only morality in a cruel world is chance. Unbiased. Unprejudiced. *Fair*.

Throughout the film, we've seen various desperate attempts to change the system by ignoring the usual rules: Batman originally thought he could inspire change by being a cultural exemplar, but only ended up causing a bunch of kids to get themselves hurt by dressing up as him. Dent thought he could clean up the system by pushing righteously from the inside, but ended up cutting more and more ethical corners until his own personal obsessions ended up making him a monster. The Joker had by far the most interesting plan: he hoped to out-corrupt the corrupters, to take their place and give the city "a better class of criminal".

And the crazy thing is that it works! At the end of the movie, the Joker is alive, the gangsters and their money launderers are mostly dead, and their money has been redistributed (albeit through the deflationary method of setting it on fire). And, as we see from the beginning of the third movie, this is a fairly stable equilibrium: with politicians no longer living in fear of the gangsters, they're free to adopt tough anti-crime policies that keep them from rising again.³

The movie concludes by emphasizing that Batman must become the villain, but as usual it never stops to notice that the Joker is actually the hero. But even though his various games only have one innocent casualty, he's much too crazy to be a viable role model for Batman. His inspired chaos destroys the criminals, but it also terrorizes the population. Thanks to Batman, society doesn't devolve into a self-interested war of all-against-all, as he apparently expects it to, but that doesn't mean anyone enjoys the trials.

Thus Master Wayne is left without solutions. Out of options, it's no wonder the series ends with his staged suicide.

I'm actually not sure which game this is supposed to be. It's a bit like the poisoned goblets game in *The Princess Bride*, but I can't find a name for it in the literature. ■

These two sentences are in the shooting script but got cut from the film version: "You thought we could lead by example. You thought the rules could be bent but not break..." ■

This also explains why the law-and-order crowd seems so miffed about succeeding — it wasn't actually their policies that succeeded. ■

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